GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1173
ANSWERED ON:01.03.2001
SELF SUFFICIENCY IN PRODUCTION OF PETROLEUM PRODUCTS
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the percentage of petroleum being produced indigenously;

(b) whether country`s massive dependence on import of petroleum to meet its total energy needs has led to a vulnerability that India faces on account of global oil price fluctuations;

(c) if so, whether experts have suggested some ways to achieve the self-sufficiency in oil production; and

(d) if so, the details thereof?

Answer

Minister of State in the Ministry of Petroleum & Natural Gas (Shri Santosh Kumar Gangwar)

(a) to (d): Details are given in the statement attached.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Unstarred Question No.1173 for answer on 1.3.2001 regarding self sufficiency in production of petroleum products

(a): The level of self-sufficiency in indigenous production of crude oil during 2000-01 taken as a percentage of refining crude throughput has been about 30%.

(b): Upward movement of crude oil prices in the international market leads to increase in the import bill and the cost of sourcing of petroleum products by oil marketing companies.

(c) & (d): Several important steps have been taken to increase crude oil production in the country, which include:

(i) To improve the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes; in particular Oil and Natural Gas Corporation Limited (ONGC) has taken up 15 fields for this purpose at an estimated investment of Rs. 10,000 crore, which would also help in accelerating oil production from these fields.

(ii) To increase exploration efforts through the New Exploration Licensing Policy (NELP), under the first round of NELP, 24 Production Sharing Contracts (PSCs) have been signed and 25 blocks have been offered under the second round of NELP, with bid closing date of 31.3.2001.

(iii) To attract technology and investment; PSCs for 9 discovered fields, 8 in Gujarat and 1 in Assam, were signed on 23.2.2001 with consortia of Indian and foreign companies.

(iv) To explore in new areas, especially in deep water and difficult frontier areas, as also explore in the deeper layers of the producing fields.

(v) To develop faster the newly discovered fields and to step up the use of new technologies for seismic surveys, work over and stimulation operations, drilling of wells etc. in producing areas.

Supplementing the above efforts for increasing oil production in the country, measures are being taken to acquire equity oil from abroad. The gas from Lan Tay/Lan Do fields of Vietnam, where ONGC-Videsh Ltd.(OVL) holds 45% share, is likely to come on stream by the end of 2002. Recently, on 10.2.2001, OVL has signed a major Agreement for acquisition of 20% share in Sakhalin-I offshore in Russia, with an estimated investment of Rs. 8,000 crore. OVL has also signed a contract for Exploration Block No.8 in Iraq on 28.11.2000. Memoranda of Understanding (MOU) have also been signed by OVL with National Oil Companies of Algeria, Indonesia, Vietnam and Venezuela for co-operation in hydrocarbons exploration and production.